

## Message Text

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43

ACTION XMB-07

INFO OCT-01 EUR-25 ADP-00 EB-11 COME-00 TRSE-00 L-03

CIAE-00 INR-10 NSAE-00 RSC-01 RSR-01 /059 W

----- 103288

P 181750 Z MAY 73

FM AMEMBASSY MADRID

TO SECSTATE WASHDC PRIORITY 5774

LIMITED OFFICIAL USE MADRID 2749

FOR CHAIRMAN KEARNS, EXIMBANK FROM AMBASSADOR RIVERO

E. O. 11652: N/ A

TAGS: ETRD, EFIN, SP

SUBJECT: FINANCIAL ASSISTANCE FOR ALTOS HORNO DEL  
MEDITERRANEO ( AHM)

REF: STATE 95093 AND MADRID 2617

1. WE HAVE DISCUSSED REFDEPTEL WITH VILLAR MIR AND  
FIND THAT EXIM AND AHM ARE STILL NOT IN AGREEMENT ON THE  
GUARANTEE ISSUE FOR SAGUNTO STEEL MILL PROJECT. WHILE  
VILLAR MIR STATED THAT THE FIRST PART OF THE REFDEPTEL  
WAS POSITIVE, THE CONDITIONING OF THE MODIFICATION  
ELIMINATING THE GUARANTEE REQUIREMENT WAS IMPOSSIBLE.  
HE SAID THAT NEITHER THE GOS NOR AHM CAN MODIFY THE TERMS  
UNDER WHICH AHM IS TO MAKE REPAYMENT TO THE BANCO DE  
CREDITO INDUSTRIAL SINCE THEY WERE THE RESULT OF A PUBLIC  
BIDDING PROCESS. VILLAR MIR WENT ON TO SAY THAT SHOULD THERE  
BE NO FURTHER MODIFICATION TO THE CURRENT EXIM BANK POSITION  
ON THIS ISSUE, THE AMERICAN BIDDERS' PROPOSALS WILL NOT BE  
OPENED FOR REASONS STATED REFEMBTTEL.

2. VILLAR MIR THOUGHT A COMPROMISE WAS POSSIBLE THAT  
WOULD RESOLVE THE PROBLEM. HE SAID THAT UNDER THE  
CURRENT REPAYMENT SCHEDULE TO THE BANCO DE CREDITO  
INDUSTRIAL, THE FIRST PAYMENT IS NOT TO BE MADE UNTIL  
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DECEMBER 31, 1978, A FACT WHICH HE WAS NOT SURE HAD BEEN NOTED BY EXIM BANK. HE HOPED THAT, WHILE THIS WAS NOT AS FAR IN THE FUTURE AS THE 1985 TERMS OF THE CONDITION LAID DOWN IN THE CURRENT EXIM OFFER, IT WOULD BE SUFFICIENT IN THE FINAL ANALYSIS TO PERMIT EXIM TO WAIVE THE GUARANTEE.

3. ONCE MORE I URGE YOU TO EXERCISE ENOUGH FLEXIBILITY ON THIS ISSUE IN ORDER TO KEEP ALIVE THE VERY REAL OPPORTUNITY OF INCREASING U. S. EXPORTS BY THE FIFTY OR SO MILLION DOLLARS INVOLVED IN THIS TRANSACTION.  
RIVERO

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Errors:** n/a  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Reference:** 73 STATE 95093 AND73 MADRID 2617  
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**Review Authority:** golinofr  
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**Review Content Flags:**  
**Review Date:** 26 SEP 2001  
**Review Event:**  
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**Subject:** FINANCIAL ASSISTANCE FOR ALTOS HORNOS DEL MEDITERRANEO ( AHM)  
**TAGS:** EFIN, ETRD, SP  
**To:** SECSTATE WASHDC  
**XMB**  
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